

SKILLS DEVELOPMENT TAX CREDIT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

PURPOSE

Encourage employee advancement and skill development through training by offering tax credits to participating companies in “rebuilding areas”.

HOW THE PROGRAM WORKS

Missouri businesses located in a distressed area are reimbursed in the form of tax credits in return for upgrading the occupational skills of employees through educational programs and training.

Participating employers may receive tax credits in the amount of 50% of the actual training costs for upgrading an employee’s skills. The tax credits may not exceed \$1,500 per year and may be claimed for 2 years with possible credits of \$3,000 per trainee.

Only classroom training is eligible. The intent is to help employees with lower skills and limited income to upgrade their work skills and earn a higher wage. Employers have complete discretion in choice of training provider at public or private educational institutions.

ELIGIBLE AREAS

Based on demographic requirements, 214 entire cities qualify, along with some census block groups. Call 1-877-618-5857 or visit www.ecodev.state.mo.us/rebuildcomm to determine eligibility for specific areas.

ELIGIBLE APPLICANTS

A business must be located in a distressed area and have tax liability.

Eligible employees may be full or part-time whose salary cannot have exceeded 200% of the federal poverty level during the previous year. In addition, upon completion of training, the trainee

must be promoted into a full time upgraded position requiring increased skills and earning a higher wage.

ELIGIBLE USE OF TAX CREDITS

The tax credits may be used to offset Missouri income tax liability or taxation of financial institution liability.

The credits may be carried forward for a period up to five years or may be sold or transferred. They may not be used for previous taxes and are not refundable.

APPLICATION PROCEDURE

Prior to commencement of training, the employer must complete and submit the Employer Notification/Certification Request to the Division of Workforce Development. After training has been completed and the employee has been working in the higher skilled position with an increase in pay for at least 3 months, the employer must submit the Tax Credit Request to receive credits.

CONTACT

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